



West Virginia Surface Owners' Rights Organization
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March 15, 2021

**Comments on Proposed Variance to Well Plugging Rules
For Limited-Scope Project
By Diversified
Pursuant to Notice dated February 12, 2021**

1. Our interest and questions in assuring the variance decision are based on science, geology and engineering is heightened when we see that such a technical matter is the subject of a meeting of attendees listed on page 3 of the Diversified power point not just with the staff of the Office of Oil and Gas, but also with the Secretary. It is further heightened when the meeting is attended not just with Diversified's Production & Plugging Director, but also with General Counsel, COO, plus an industry expert consultant who was formerly head of IOGA and WVONGA and appointed by the Governor to the Oil and Gas Conservation Commission as the "public" member, and in addition a government affairs consultant.

2. We agree with Steve Jobs as quoted in the Diversified power point about innovation. Our experience with the industry has been more about shortcuts to save money and turning blind eyes to consequences distant in time.

3. If in fact the variance is granted, and if in fact it makes plugging cheaper, then the existing plugging enforcement agreement between Diversified and D.E.P. should be adjusted so that the same amount of money that would have been required to plug the number of wells in that agreement is used to plug a larger number of wells for the same money. Even at that, Diversified's disclosure to its investors have shown that after 15 years its wells will be at the end of their economic lives – meaning there will not be enough money to plug thousands and thousands of wells it has purchased and placed under West Virginia's wholly inadequate blanket bonds.

4. The current plugging requirements which are based on engineering, geology and science, when followed, we know from long experience are working when followed. Any testing in the days of, or in the weeks or months immediately after, the plugging occurs does not mean that the proposal's modifications will stand the test of time over say 30, 50 or 100 years. And if they do not, then the well would need re-drilled and re-plugged by an operator that has disclosed that its then current wells will not be economic for more than 15 years which gives rise to the serious question whether it will be around then to fix the problem.